

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1155 - SB 1066**

March 28, 2011

**SUMMARY OF BILL:** Requires the Secretary of State (SOS) to establish and maintain a searchable Foreclosure Notice Registry that is available to the general public at no charge. Requires a trustee or other selling party to file notice of foreclosure with the SOS and advertise the sale in the county's newspaper of general circulation. Authorizes the Secretary of State to charge a fee of \$50 per filing. Requires the registry to be prepared to accept filings and to be available for searches by January 1, 2012.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – \$1,000,000/FY11-12**

**\$2,000,000/FY12-13 and Subsequent Years**

**Increase State Expenditures – \$788,400/FY11-12**

**\$476,400/FY12-13 and Subsequent Years**

**Assumptions:**

- According to the SOS, a request for proposals is required to determine the actual system development and implementation costs.
- Based on information provided by the SOS and the Tennessee Housing Development Authority, there are approximately 40,000 foreclosure notice filings each year.
- The fee to record each filing will be \$50 resulting in an increase to state revenue of \$1,000,000 (20,000 filings x \$50) in FY11-12 and \$2,000,000 (40,000 filings x \$50) in FY12-13 and each subsequent year.
- According to the SOS, filings submitted via the internet will be assessed a \$3.50 convenience fee. This fee will cover 100 percent of the costs incurred by the SOS to process credit card transactions resulting in a not significant net impact to state revenue and expenditures.
- Based on information provided by the SOS, four additional filing officers will be required in FY11-12 and in FY12-13 and each subsequent year.
- Each filing officer would receive a salary of \$24,288 plus benefits of \$11,072 totaling \$141,440 (\$35,360 x 4) in FY11-12 and \$282,880 (\$35,360 x 8) in FY12-13 and each subsequent year.
- According to the SOS, there will be a one-time expenditure of \$5,000 per filing officer for office space, computers, telephone, etc. The total one-time increase to expenditures is estimated to be \$20,000 (\$5,000 x 4) in FY11-12 and \$20,000 (\$5,000 x 4) in FY12-13.

**HB 1155 - SB 1066**

- According to the SOS, the one-time cost to develop the foreclosure registry is estimated to be approximately \$627,000, and will occur in FY11-12. Recurring maintenance is estimated to be \$173,496.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/agl